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Industrial Development Board

Eleventh session
Vienna, 28 June - 2 July 1993
Item 3 of the provisional agenda

ANNOTATED PROVISIONAL AGENDA

Item 1. Opening of the eleventh session

The eleventh session of the Board will be opened by the President of the tenth session, Mr. P. Balázs (Hungary).

Item 2. Election of officers

In accordance with rule 23.1 of the rules of procedure, each year, at the commencement of its first regular session, the Board shall elect from among the representatives of its members a President, three Vice-Presidents and a Rapporteur. Rule 23.3 also stipulates that the offices of the President, the three Vice-Presidents and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle described in appendix A to the rules of procedure. Accordingly, for the eleventh session, the President should be elected from members of the Board in list C of Annex I to the Constitution, and the three Vice-Presidents should be elected from members of the Board among the African States included in list A, the states in list B and the Asian States in List A respectively. The Rapporteur should be elected from among the representatives of members of the Board in List D.

Item 3. Adoption of the agenda for the eleventh session

A provisional agenda for the eleventh session was adopted by the Board at its tenth session (IDB.10/Dec.23). In accordance with rule 12, three supplementary items are being proposed, namely items 10, 13 and 17 (see IDB.11/1). Supporting statements for the inclusion of the three supplementary items are provided in the present document under the respective items. The provisional agenda with the proposed supplementary items is submitted to the Board for adoption in document IDB.11/1.

Item 4. UNIDO policies

UNIDO policy issues are described in chapter I of the Annual Report of UNIDO, 1992 (see item 5 below).

The Board, at its ninth session, adopted decision IDB.9/Dec.2 on UNIDO policies in which it requested the Director-General inter alia: (a) to submit to the policy-making organs of UNIDO, for their consideration, the substantive programmes on small- and medium-scale industries as well as on industrial rehabilitation, in order to complete the programming exercise of the medium-term plan, 1992-1997, on its five priority areas no later than at the eleventh session of the Board; and (b) to present to the Board at that session a clear enunciation of UNIDO future policy framework in accordance with medium-term plan priority areas and resource projections.

The Board will have before it:

- UNIDO policy issues (IDB.11/10, chap. I)
- UNIDO programme for small- and medium-scale industries. Submitted by the Director-General (IDB.11/14-GC.5/11)
- UNIDO programme for industrial rehabilitation and modernization. Submitted by the Director-General (IDB.11/20-GC.5/12)
- Future policy framework of UNIDO in accordance with medium-term plan priority areas and resource projections. Report by the Director-General (IDB.11/27) - also submitted under item 7.

Item 5. Annual report of the Director-General for 1992 on the activities of the Organization

In accordance with Article 11.6 of the Constitution, the Director-General is to prepare an annual report on the activities of the Organization. In its resolution GC.4/Res.2, the General Conference at its fourth session requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11, and to continue including therein the tabular presentation of significant performance indicators and the comparison of outputs implemented against outputs planned for the period covered by the annual report, as shown in document GC.4/35. Consequently, the annual report provides, parallel to the description of the activities carried out in 1992, the significant performance indicators and the comparison of outputs implemented against outputs planned for the biennium 1992-1993 as described in the programme and budgets, 1992-1993 (GC.4/42) adopted by the General Conference at its fourth session.

An additional progress report on specific activities will update or supplement the information provided in the Annual Report 1992 in

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relation to sub-items (a) to (o) below. That report will also cover UNIDO activities in the field of energy in compliance with Board decision IDB.10/Dec.2, paragraph (c).

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10)
- Progress report on specific activities. Submitted by the Director-General (IDB.11/11-GC.5/10)
- List of resolutions and decisions of the United Nations General Assembly, the Economic and Social Council and the Governing Council of the United Nations Development Programme of relevance to UNIDO (conference room paper)

Article 9.4 (d) of the Constitution stipulates that the Board shall request Members to furnish information on their activities related to the work of the Organization. In decision IDB.1/Dec.29, Member States were requested to inform the Board on their activities related to the work of the Organization when reviewing the annual report on the activities of the Organization. Member States may wish to include this information in the oral statements delivered by their representatives under this item. Such statements would be reflected in the summary records of the Board.

(a) UNIDO technical cooperation activities in 1992

By decision IDB.7/Dec.11, the Board at its seventh session requested the Director-General to present an annual report on technical cooperation activities of UNIDO, containing a clear delineation of the budgetary phases of the execution of the technical cooperation projects within a clear and detailed execution frame. At its fourth session, the General Conference in resolution GC.4/Res.3 and decision GC.4/Dec.11, requested the Director-General to take a number of actions related to technical cooperation and to report on their implementation to the General Conference at its fifth session, through the Board at its ninth session. In its decision IDB.9/Dec.7, the Board took note of the Director-General's report on the subject (IDB.9/3) and further requested the Director-General to take a number of measures and report on their implementation to the Board at its eleventh session.

The Board will have before it the following documents:

- Annual Report of UNIDO, 1992 (IDB.11/10, in particular chaps. III and V)
- Progress report on UNIDO technical cooperation activities in 1992 (IDB.11/11-GC.5/10, chap. II)
- List of technical cooperation projects approved and/or operational in 1992 (conference room paper)

(b) Second Industrial Development Decade for Africa

The General Conference at its fourth session, in resolution GC.4/Res.8, decided to adopt the programme for the Second Industrial Development Decade for Africa (1991-2000) covering the national, subregional and regional components contained in document CAMI.10:ICE/1991/6/Vol.1 and Vol.2 and recommended its adoption to the General Assembly at its forty-seventh session. It also decided to allocate the sum of $8.6 million for the Second IDDA in the programme and budgets for the biennium 1992-1993. In the same resolution the Conference requested the Director-General to take a number of measures related to the implementation of the IDDA programme. It also requested the Director-General, in cooperation with the Executive Secretary of the Economic Commission for Africa and the Secretary-General of the Organization of African Unity, to undertake follow-up actions for promoting national, subregional and regional activities in support of the programme and jointly submit a report on the implementation of the programme to the General Conference at its fifth session through the Board. Subsequently, in its resolution 47/177, the General Assembly, while adopting the programme for the Second IDDA, adjusted the period for the Second Decade programme to cover the years 1993-2002, and urged the Director-General to integrate the relevant provisions of Agenda 21 in the implementation of the Second Decade.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III.B, paras. 47-55)
- Progress report on the Second Industrial Development Decade for Africa (IDB.11/11-GC.5/10, chap. III)
- Implementation of the programme for the Second Industrial Development Decade for Africa. Progress report submitted jointly by UNIDO, ECA and OAU

(c) Special Programme for the Industrial Development of Asia and the Pacific

The Special Programme for the Industrial Development of Asia and the Pacific was approved by the General Conference at its third session (resolution GC.3/Res.18). At its fourth session, the Conference took note appreciatively of the report on the implementation of the Programme and requested the Director-General to take a number of actions in that respect (decision GC.4/Dec.12). Subsequently, the Board at its ninth session adopted decision IDB.9/Dec.5 in which it took note of the actions taken by the Director-General (IDB.9/10/Add.2) and requested him to strengthen the special regional programme for Asia and the Pacific by mobilizing additional resources, in accordance with Conference resolution GC.3/Res.18 and decision GC.4/Dec.12 and to submit a further progress report to the Board at its eleventh session.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, paras. 88-92)
- Progress report on the Special Programme for the Industrial Development of Asia and the Pacific (IDB.11/11-GC.5/10, chap. IV)

(d) Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean

The Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean was established by the Board at its fifth session. At its fourth session, the General Conference (GC.4/Res.6), while appreciating the efforts of the Secretariat in launching the Regional Programme, requested the Director-General to undertake a number of measures and to submit a detailed report on their implementation to the Board at its tenth session.

While the subject was not scheduled for discussion at the tenth session of the Board, a progress report (IDB.10/18, chap. I) was nevertheless submitted in order to comply with the Conference reporting requirements.

The Board will have before it:

- Progress report on the Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean (IDB.10/18, chap. I and IDB.11/11-GC.5/10, chap. V)

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, para. 109)

(e) Special Programme for Industrial Development in the Arab Countries

The Special Programme for Industrial Development in the Arab Countries was established by the Board at its fifth session. At its fourth session the General Conference in resolution GC.4/Res.5 listed the priorities for the activities of the Programme and addressed a number of requests to the Director-General including the submission of a report on the implementation of that resolution to the Conference at its fifth session through the Board at its tenth session.

The Board, in its decision IDB.10/Dec.12, while taking note of the progress report by the Director-General on the subject (GC.5/5-IDB.10/12) and expressing its appreciation for the achievements described therein, requested the Director-General to undertake a number of measures and report on their implementation to the Conference at its fifth session.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, para. 84)

- Progress report on the Special Programme for Industrial Development in the Arab Countries (IDB.11/11-GC.5/10, chap. VI)

(f) Industrialization of the least developed countries

The General Conference at its fourth session adopted two resolutions related to the least developed countries. In resolution GC.4/Res.9, the Conference called upon the Director-General to continue to accord highest priority to the least developed countries in programmes of the Organization in order to assist in the implementation of the Paris Declaration and the Programme of Action of the Second United Nations Conference on the Least Developed Countries, and, within that context to develop and strengthen key priority sectors in the medium-term plan of UNIDO. The Director-General was also requested to report on the implementation of that resolution to the General Conference at its fifth session.

In resolution GC.4/Res.10, the Conference adopted the industrial action programme for the least developed countries approved by the ministerial Symposium on the Industrialization of the Least Developed Countries held in Vienna on 15 November 1991 (PI/114) as the basis for development and implementation of technical cooperation projects and programmes between UNIDO and the least developed countries in the 1990s.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, paras. 56-62)

- Progress report on the industrialization of the least developed countries (IDB.11/11-GC.5/10, chap. VII)

(g) Technical assistance to the Palestinian people

In its resolution GC.4/Res.7, the General Conference requested the Director-General to increase UNIDO assistance to the Palestinian people in close cooperation with the Palestine Liberation Organization and to report to the Conference at its fifth session and to the Board at its next session on the progress made in the implementation of the resolution.

A progress report on the subject was submitted to the Board at its ninth session. On that occasion the Board requested the Director-General to continue his efforts to implement Conference resolutions GC.3/Res.13 and GC.4/Res.7 and to report to the Board at its eleventh session (decision IDB.9/Dec.6).

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, para. 86)

- Progress report on technical assistance to the Palestinian people (IDB.11/11-GC.5/10, chap. VIII)

(h) Technical assistance to the South African national liberation movements recognized by the Organization of African Unity

Keeping in mind Board decision IDB.6/Dec.13, in which the Director-General was requested to continue to increase technical assistance to the South African national liberation movements recognized by OAU, information on the subject will be provided to the Board in the following document:

- Progress report on technical assistance to the South African national liberation movements recognized by the Organization of African Unity (IDB.11/11-GC.5/10, chap. IX)

(i) Economic and technical cooperation among developing countries

Further to the approval by the General Conference (resolution GC.4/Res.11) of the

framework for the UNIDO-wide programme for economic and technical cooperation among developing countries (ECDC/TCDC), the Board in its decision IDB.9/Dec.8 requested the Director-General to undertake a number of actions aimed at strengthening ECDC/TCDC activities and to present a progress report on their implementation to the Board at its eleventh session.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, paras. 22-29)

- Progress report on ECDC/TCDC activities (IDB.11/11-GC.5/10, chap. X)

(j) Integration of women in industrial development

The General Conference at its fourth session adopted resolution GC.4/Res.12 in which it urged the further implementation of the UNIDO programme for the integration of women in industrial development, 1990-1995. In that context the Conference requested the Director-General to undertake a number of measures and to report on the progress of the implementation of the resolution to the General Conference at its fifth session through the Board.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. III, paras. 30-37)

- Progress report on integration of women in industrial development (IDB.11/11-GC.5/10, chap. XI)

(k) UNIDO environment programme, including follow-up to the United Nations Conference on Environment and Development

In its decision IDB.10/Dec.13, the Board took note of the report of the Director-General containing an updated UNIDO environment programme (IDB.10/17) and requested the Director-General, in line with Conference resolution GC.4/Res.18, to again update that programme in the light of further developments related to Agenda 21, and to report on UNIDO activities on sustainable development and its implementation of Agenda 21 to the Board and subsequently to the General Conference at its fifth session.

The Board will thus have before it the following document:

- Progress report on the UNIDO environment programme including follow-up to the United Nations Conference on Environment and Development (IDB.11/11-GC.5/10, chap. XII)

(l) System of Consultations

The "Principles, objectives and characteristics" of The System of Consultations (PI/84) stipulate (a) that the Board shall consider the reports of the Consultation meetings and the conclusions and recommendations contained therein, as well as decide and provide guidance on appropriate follow-up action; and (b) that the Board shall decide every two years on the programme of Consultations for the following biennium (ibid., paras. 8 and 20).

Concerning the follow-up of Consultations, the General Conference in its resolution GC.3/Res.2 requested the Director-General to present to the Board the conclusions and recommendations of each Consultation for their examination and approval as well as guidance, as appropriate, on a plan for the technical cooperation follow-up activities carried out by UNIDO.

Furthermore, in its resolution GC.4/Res.16 on the evaluation activities of UNIDO, the General Conference requested the Director-General: to ensure the full implementation of in-depth evaluation recommendations within two years of the completion of an evaluation, and to report on the actions taken thereon; to present, in the framework of in-depth evaluations, UNIDO's action to ensure that its activities have an effective impact on the industrial development of developing countries; and to assess the implementation and impact of the recommendations of the evaluation on the System of Consultations and report on those assessments to the Conference at its fifth session through the Board at its ninth session.

Subsequently, the Board in its decision IDB.9/Dec.9 approved the proposals of the Director-General for the six Consultations to be held in the biennium 1994-1995 as contained in document IDB.9/15. It also requested the Director-General to undertake a number of additional measures to enhance the System of Consultations and to report on action taken on the decision to the fifth session of the General Conference.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. IV, section B)

- Progress report on the System of Consultations (IDB.11/11-GC.5/10, chap. XIII)

- Report on the Regional Consultation on the Petrochemical Industry in the Arab Countries (ID/380)

- Report on the Regional Consultation on the Restructuring of the Capital Goods Industry in Latin America and the Caribbean (ID/385)

- Consultations held in 1992 and plan for technical cooperation follow-up activities. Report by the Director-General (IDB.11/17)

(m) Development and transfer of technology

The General Conference at its fourth session adopted resolution GC.4/Res.13 in which it requested the Director-General to undertake a number of actions aimed at promoting and facilitating the development and transfer of technology for developing countries and to report to the Conference at its fifth session through the Board at its eleventh session on the implementation of the resolution.

Subsequently, the Board in its decision IDB.9/Dec.10 addressed additional requests to the Director-General on the subject including the submission to the eleventh session of the Board of a comprehensive list of technologies adapted,

promoted and produced by UNIDO, in accordance with decision IDB.8/Dec.10 and a report on the implementation of the programme for the development and transfer of technology contained in document IDB.3/26.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. IV.C)

- Progress report on the development and transfer of technology (IDB.11/11-GC.5/10, chap. XIV)

(n) Industrial investment promotion

In its resolution GC.4/Res.17, the General Conference requested a number of actions from the Director-General related to industrial investment promotion as well as the submission of a report on the implementation of the resolution to the Conference at its fifth session through the Board at its eleventh session.

Subsequently, in its decision IDB.9/Dec.11, the Board also requested the Director-General to report to its eleventh session on the efforts undertaken to strengthen cooperation with international financial institutions on the promotion of industrial investment.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. IV.A)

- Progress report on industrial investment promotion (IDB.11/11-GC.5/10, chap. XV)

(o) Evaluation of UNIDO programmes and activities

In its resolution GC.4/Res.16 the General Conference requested the Director-General to undertake a number of actions related to the evaluation activities of UNIDO. Among those, the Director-General was to submit to the Board at its eleventh session the in-depth evaluation on human resource development as well as the in-depth evaluation on development and transfer of technology, the latter pending the availability of financial resources.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. II, paras. 25-42)

- Progress report on evaluation activities of UNIDO (IDB.11/11-GC.5/10, chap. XVI)

Item 6. Report of the Programme and Budget Committee

Article 10.4 (d) of the Constitution requires that the Programme and Budget Committee "report to the Board at each regular session on all activities of the Committee and submit advice or proposals on financial matters to the Board on its own initiative".

The report of the Programme and Budget Committee (PBC) on the work of its ninth session (IDB.11/15) contains the conclusions of the Committee concerning sub-items 6 (a) to (e) and (g) to (j). The Committee decided to resume its ninth session on 28 June 1993 to consider further item 6 (c) of the provisional agenda of the Board. The report on the resumed ninth session of the Committee will be issued as document IDB.11/15/Add.1.

(a) Scale of assessments

The General Conference at its fifth session will have to establish a scale of assessments for the years 1994-1995. Article 15.2 of the Constitution stipulates that the scale of assessments shall be based to the extent possible on the scale most recently employed by the United Nations and that no Member shall be assessed more than 25 per cent of the regular budget of the Organization.

The Board will have before it:

- Scale of assessments for the fiscal period 1994-1995. Note by the Secretariat (IDB.11/5-PBC.9/5) (to be updated before the session)

- PBC conclusion 93/5 on the scale of assessments for apportionment of the regular budget expenses (IDB.11/15, para. 18)

(b) Interim financial performance report and programme performance report

Financial regulation 10.6 stipulates that, at the beginning of the second calendar year of each fiscal period, the Director-General shall submit to the PBC an interim financial report on significant financial developments that have affected the Organization during the first calendar year of the fiscal period concerned. In accordance with regulation 11.10, the report on the interim accounts shall be completed not later than by 1 June following the calendar year to which it relates. Furthermore, the PBC at its third resumed session of 29 June 1987 (conclusion 1987/19) requested the Director-General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, the General Conference, in its resolution GC.4/Res.2, requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11 (see item 5 above).

The Board will have before it:

- Interim financial performance report for the biennium 1992-1993. Submitted by the Director-General (PBC.9/7 and Corr.1)

- Annual Report of UNIDO, 1992 (IDB.11/10-PBC.9/10)

- PBC conclusion 93/3 on the interim financial performance report and programme performance report (IDB.11/15, para. 14)

(c) Programme and budgets, 1994-1995

In accordance with Articles 14.1 and 14.3 of the Constitution, the Director-General shall prepare and submit to the Board through the PBC a draft programme of work for the following fiscal period, together with the corresponding estimates for those activities to be financed from the

regular budget. The Director-General shall, at the same time, submit proposals and financial estimates for those activities to be financed from voluntary contributions to the Organization. The Board shall examine the proposals of the Director-General together with any recommendations of the Committee and adopt the programme of work, the regular budget and the operational budget, with such modifications as it deems necessary, for submission to the Conference for consideration and approval. Such adoption shall require a two-thirds majority of the members present and voting.

At its tenth session, the Board in its decision IDB.10/Dec.7 approved a ceiling for the regular budget for the biennium 1994-1995 representing zero real growth as compared with the biennium 1992-1993.

The Programme and Budget Committee at its ninth session considered the proposals of the Director-General and in its conclusion 93/4 recommended to the Board that it adopt the net resource requirements for the activities to be financed from the regular budget not exceeding an amount of $197,451,500 at an exchange rate of US$ 1 = AS 12.90. The Board requested the Director-General to revise accordingly his programme and budget proposals for the 1994-1995 biennium, within that ceiling, and, in the light of the views expressed by the members of the Committee at its ninth session and the updated information available, to revise his proposals for the operational budget and to submit them to a resumed ninth session of the Programme and Budget Committee to be convened on 28 June 1993.

The Board will have before it:

- PBC conclusion 93/4 on the programme and budgets, 1994-1995 (IDB.11/15, para. 16)

- Programme and budgets, 1994-1995. Revised proposals of the Director-General (IDB.11/2/Rev.1-PBC.9/2/Rev.1)

- Recommendations emanating from the resumed ninth session of the PBC (IDB.11/15/Add.1)

(d) Industrial Development Fund and other voluntary contributions

In accordance with Article 17 of the Constitution, in order to increase the resources of the Organization and to enhance its ability to meet promptly and flexibly the needs of the developing countries, the Organization shall have an Industrial Development Fund (IDF) which will be financed through the voluntary contributions to the Organization provided for in Article 16, and other income as may be provided for in the financial regulations of the Organization. The Director-General shall administer IDF in accordance with the general policy guidelines governing the operations of the Fund that are established by the Conference, or by the Board acting on behalf of the Conference, and in accordance with the financial regulations of the Organization. Rules governing the financial management of IDF were prepared by the Director-General in accordance with the financial regulations established by the Conference in its decision GC.2/Dec.25. These rules are contained in the Financial Rules of UNIDO (UNIDO/DG/B.74/Rev.1).

In its decision GC.4/Dec.21, paragraph (e), the General Conference encouraged the Director-General to pursue the development of the programme approach described in document GC.4/28 in order to enhance the impact of UNIDO assistance and requested the Secretariat to promote selected programmes following the medium-term plan priority areas, while urging Member States to provide adequate financial resources for the development and implementation of such programmes. In that same decision (para. (f)), the Conference encouraged the Director-General to continue utilizing IDF resources as a means for the mobilization of larger financial flows, both for technical cooperation and investment, and recommended the improvement of investment-related activities.

The Board at its tenth session adopted decision IDB.10/Dec.9 in which it delegated authority to the Director-General to approve projects for financing under IDF in the 1993-1994 biennium in accordance with the priority areas of the medium-term plan. It also underlined the need to take certain considerations into account on the efforts to improve the quality of IDF-financed projects.

In accordance with Board decision IDB.4/Dec.30, the Director-General is to provide information as to the nature of projects financed from the Fund, indicating therein the projects financed from its general-purpose segment as well as information as to the projects financed from its special-purpose segment. Furthermore, in accordance with General Conference decision GC.3/Dec.25, the Director-General is to submit periodically a detailed report on the matter to the Board in the annual report.

The Board will have before it:

- Industrial Development Fund - Estimated resource level and programming for 1994 and 1995. Report by the Director-General (IDB.11/4-PBC.9/4)

- Information on the nature of projects financed from the Industrial Development Fund, contained in the Annual Report of UNIDO, 1992 (IDB.11/10-PBC.9/10, chap. III, paras. 129-137, and appendix G)

- Lists of projects approved under the Industrial Development Fund (IDF) (PBC.9/CRP.1)

- PBC conclusion 93/7 on the Industrial Development Fund (IDB.11/15, para. 22)

(e) Working Capital Fund

Financial Regulation 5.4 stipulates that, upon recommendation of the PBC and subsequently the Board, the Conference shall determine the amount and purposes of the Working Capital Fund.

At its fourth session, the General Conference decided (decision GC.4/Dec.16) that the level of the Working Capital Fund should be $9 million and that the authorized purposes of the Fund for the 1992-1993 biennium should remain the same as for previous bienniums (see decision GC.2/Dec.27).

The Board will have before it:

- Status of advances to the Working Capital Fund as of 28 February 1993 (IDB.11/6-PBC.9/8, annex II) (to be updated before the session)

- Working Capital Fund for the biennium 1994-1995. Proposals by the Director-General (IDB.11/3-PBC.9/3)

- PBC conclusion 93/6 on the Working Capital Fund for the biennium 1994-1995 (IDB.11/15, para. 20)

(f) Joint United Nations/UNIDO conference service

At its eighth session in 1991 the Board, having taken note of the reports of the Director-General of UNIDO and the Secretary-General of the United Nations on the subject, recommended that any change in the conference service arrangements for the Vienna-based organizations would need to be examined in the light of the efficiency, economy and quality of services it would bring, and decided to defer action regarding the unified conference service arrangements for the Vienna-based organizations until the relevant organizations had had the opportunity to study the detailed cost analysis (decision IDB.8/Dec.38).

In its decision GC.4/Dec.20, the General Conference endorsed the position of the Board and recommended to the General Assembly of the United Nations that it accordingly defer action affecting the status of the joint UNIDO-United Nations conference services. It also requested the Director-General to continue consultations with the United Nations Office at Vienna and the International Atomic Energy Agency on the most efficient and cost-effective conference service arrangements at the Vienna International Centre and to report to the Board at its eleventh session on the conclusions of those consultations.

The proposals of the Director-General for the programme and budgets, 1994-1995 originally submitted to the PBC at its ninth session in April 1993 (IDB.11/2-PBC.9/2, para. 42) assume that the joint language and documentation services of UNOV and UNIDO will continue to be managed by UNIDO in that biennium and that the financial arrangements for administrative services will thus remain in place for the full biennium. Provisions were therefore made in those proposals for the continuation of the present arrangement. Pending any relevant development in the ongoing negotiations, those provisions will also be reflected in the revised proposals to be submitted to the resumed session of the PBC (see sub-item (c) above).

The Board will have before it:

- Joint United Nations/UNIDO conference service. Report by the Director-General (IDB.11/21)

(g) Appointment of External Auditor

In accordance with financial regulation 11.1, an External Auditor, who shall be Auditor-General (or an officer exercising an equivalent function) of a Member State, shall be appointed in the manner and for the period decided by the Conference. On the basis of recommendations by the PBC and the Board, the General Conference by decision GC.1/Dec.34 appointed the Senior President of the Audit Office of Belgium as the External Auditor for UNIDO for a period of two years beginning on 1 July 1986 and subsequently (GC.2/Dec.28, GC.3/Dec.22 and GC.4/Dec.17) extended that appointment until 30 June 1994.

The PBC in its conclusion 93/8 invited all Member States interested in providing the services of an external auditor for the period 1 July 1994 to 30 June 1996 to inform the Director-General of such interest by 31 May 1993, so that he could bring it to the attention of the Board at its eleventh session.

The Board will have before it:

- PBC conclusion 93/8 on appointment of an external auditor (IDB.11/15, para. 24)

- Candidatures for the appointment of an external auditor. Report by the Director-General (IDB.11/22)

(h) Electronic data-processing programme

In its decision GC.4/Dec.18, paragraph (h), the General Conference at its fourth session requested the Director-General, with a view to ensuring the transparency of all operations concerning the electronic data-processing (EDP) programme and avoiding a repetition of past difficulties, to report to the subsequent sessions of the policy-making organs on the programme and cost of implementing the consultants' recommendations and the recommendations of the External Auditor, as contained in documents GC.4/50 and GC.4/CRP.1, especially those concerning the disaster recovery plan, the organizational and functional changes and the internal control and evaluation of automation projects. It also requested the Director-General to keep Member States fully apprised of the EDP programme by quarterly briefings and informal notes (GC.4/Dec.18, para. (i)). Such briefings have taken place on a regular basis and progress reports were submitted to the eighth and ninth sessions of the PBC (PBC.8/15, PBC.8/CRP.2 and PBC.9/6) and the ninth and tenth sessions of the Board (IDB.9/12 and IDB.10/30).

The Board will have before it:

- Electronic data-processing programme. Report by the Director-General (IDB.11/23)

(i) UNIDO Country Director programme

The Governing Council of the United Nations Development Programme (UNDP) in its decision 91/34 on sectoral support invited the Industrial Development Board to address the question of the financing of the UNIDO Country Director (UCD) programme in the light of the successor arrangements to support costs.

At its eighth session, in its decision IDB.8/Dec.14, the Board, having considered that the successor arrangements for sectoral support might affect the financing of UCDs from the UNIDO operational budget, requested the Director-General to pursue his consultations with the Administrator of UNDP on the system of sharing financing of the UCD programme, so that the target of 50 posts could be reached in the near future, and to keep Member States informed of the progress of the implementation of the programme.

Subsequently, at its fourth session, the General Conference in resolution GC.4/Res.4 requested the Director-General: (a) to prepare a study on the modalities of setting up a close

working relationship among the UCDs of the same subregion in order to strengthen the role of the UCDs; (b) to increase the number of UCDs in order to reach the target set in Board decision IDB.8/Dec.14; and (c) to report on the possibilities of strengthening the country focus, while strengthening the advisory role of UCDs in project planning, development and evaluation. The Board at its tenth session (decision IDB.10/Dec.11), having taken note with deep concern of the information on the financial situation of the UCD programme, requested the Director-General to continue negotiations with UNDP on the most appropriate financing arrangements, and invited the Governing Council of UNDP at its February 1993 session if possible, to consider the need for and possibility of increasing the annual allocation as of 1993 for the UCD programme to permit at least the maintenance of the present number of UCD posts, and preferably to increase the number of UCD posts to reach the target established.

The Director-General was requested to report, through the PBC, to the Board at its eleventh session on the financing of UCD posts and the follow-up to the decision IDB.10/Dec.11.

The Board will have before it:

- Financial situation of the UNIDO Country Director programme. Report by the Director-General (IDB.11/7-PBC.9/9)

- PBC conclusion 93/9 on the UNIDO Country Director programme (IDB.11/15, para. 26)

(j) Financial situation of UNIDO

The financial situation of UNIDO was considered by the PBC at its eighth session. On that occasion, the Committee adopted conclusion 92/5 in which it requested the Director-General to take necessary measures to balance the operational budget as soon as possible but at the latest by the end of 1993 through inter alia: (a) economies and greater efficiency; (b) reduction of staff through normal attrition, in compliance with staff regulation 10.2, or separation, or other appropriate measures; (c) appropriate utilization of the accumulated uncommitted reserve under the operational budget; (d) the establishment of a system of regular monitoring in line with financial regulation 4.1(c), as endorsed in General Conference resolution GC.4/Res.23, and the issuance of authorized allotments only if there is a reasonable assurance of resources available to support it. The PBC also requested the Director-General, when taking measures to balance the operational budget, to preserve the capacity of the Organization for technical cooperation delivery and to take due account of the need for equitable geographical distribution of the staffing of the Secretariat.

Subsequently, the Board at its tenth session (decision IDB.10/Dec.6) endorsed PBC conclusion 92/5 and requested the Director-General, in complying with the above requests, to give particular attention to the substantive areas of the Organization and exert his utmost to minimize the administrative and support expenses. The Board further requested the Director-General, in view of the severe financial situation of the Organization and with reference to resolution GC.4/Res.27, paragraph 4, to present to the PBC at its ninth session a plan of action with options for balancing the 1992-1993 regular budget disbursements with cash income and operational budget expenditure with expected income. The Director-General was also requested to report on progress achieved in the implementation of those measures to the Board at its eleventh session, through the Committee at its ninth session. The recommendations of the Committee to the Board are contained in PBC conclusion 93/2.

The Board will have before it:

- Financial situation of UNIDO. Report by the Director-General (IDB.11/6-PBC.9/8) (to be updated before the session)

- PBC conclusion 93/2 on the financial situation of UNIDO (IDB.11/15, para. 12)

Item 7. Medium-term plan, 1994-1995

The Board at its tenth session adopted decision IDB.10/Dec.7 in which it took note of the draft medium-term plan, 1994-1999 as contained in documents IDB.10/15 and Add.1.

At the same time, the Board adopted decision IDB.10/Dec.8 in which it: (a) took note of the report of the Chairman of the PBC on his informal consultations concerning the relative priorities within the medium-term plan activities (IDB.10/29); (b) noted that the latter report could, together with other contributions, offer a basis for further consultations; and (c) requested the President of the Board to conduct informal consultations to study the relative priorities within the medium-term plan activities, 1994-1999, bearing in mind the financial and technical capacity of UNIDO, and report to the Board at its eleventh session.

Furthermore, at its ninth session, the Board (decision IDB.9/Dec.2) had requested the Director-General to present to the current session a clear enunciation of UNIDO future policy framework in accordance with medium-term plan priority areas and resource projections (see item 4 above).

The Board will have before it:

- Relative priorities within the medium-term plan, 1994-1999. Report by the President of the Board (to be issued in June)

- Future policy framework of UNIDO in accordance with medium-term plan priority areas and resource projections. Report by the Director-General (IDB.11/27) - also submitted under item 4.

Item 8. Development of human resources

The General Conference in its resolution GC.4/Res.15 requested the Director-General to take a number of actions aimed at enhancing the human resource development activities of UNIDO, and to report on their implementation to the Board at its tenth session. Subsequently, the Board in its decision IDB.10/Dec.3 encouraged UNIDO to continue its human resource development efforts, especially those mentioned in paragraphs 23 to 28 of document IDB.10/18; requested the Director-General to make further efforts to fully implement measures called for in Conference resolution GC.4/Res.15; and decided to give UNIDO human resource development activities further consideration at its eleventh session, taking also into account the results of the ongoing in-depth evaluation of the subject.

with a view to agreeing on substantive instructions for the UNIDO Secretariat on the matter.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. V.C, paras. 110-118)

- Progress report on the evaluation of UNIDO programmes and activities (IDB.11/11-GC.5/10, chap. XVI)

- A summary of the in-depth evaluation of the human resource development programme of UNIDO (to be issued in June)

Item 9. Guidelines for special trust fund projects

In its resolution GC.4/Res.28, while approving the guidelines for the development, appraisal, approval and implementation of special trust fund projects (GC.4/36), the General Conference, inter alia, requested the Director-General to prepare some additions to them (see para. 2 of the resolution) for submission to the Board at its tenth session. These additions were submitted in document IDB.10/15.

The Board, in its decision IDB.10/Dec.14, requested the Director-General: (a) to ensure the consistent application of Conference resolution GC.4/Res.28, Conference decision GC.4/Dec.11 and Board decision IDB.9/Dec.7; (b) to formulate and implement only those trust fund projects that are compatible with that resolution and those decisions; (c) to make the necessary changes in Director-General's bulletin UNIDO/DG/B.73/Rev.1 based on decision IDB.10/Dec.14; (d) to revise document IDB.10/15 and the proposed additions to the guidelines for special trust fund projects in order to fully take into account the above; and (e) to report on the implementation of those requests to the Board at its eleventh session.

The Board will have before it:

- Guidelines for special trust fund projects. Report by the Director-General (IDB.11/19)

Item 10. UNIDO's activities in the field of restructuring, including privatization

The inclusion of this supplementary item in the provisional agenda of the current session of the Board has been proposed by the Permanent Representative of India in accordance with rule 12 of the rules of procedure of the Board. The request is supported by the following statement:

"...

"... We had received some information on UNIDO's activities in the field of privatization, at a briefing meeting on 11 December 1992 attended by officials from UNIDO's Industrial Institutions and Services Division and other branches. It was however, recognised that member states were not generally aware of the range of activities being carried out, and that a discussion of UNIDO actions in the field of privatization could provide useful ideas and guidance for future work.

"Meanwhile, the 47th UN General Assembly has unanimously adopted a resolution on "privatization in the context of economic restructuring, economic growth and sustainable development" ... [resolution 47/171]. The resolution, inter-alia, urges organisations in the UN system to strengthen their activities and improve coordination of efforts in supporting member-states actions in the field of privatization and public sector reform. It is significant that the resolution was adopted unanimously.

"... We would, therefore, request that this [an item on restructuring, including privatization] be appropriately reflected in the provisional agenda. We would also expect the Secretariat to provide a report giving information on UNIDO's activities in the field of privatization, including ongoing activities, as well as activities planned for the 1994-95 biennium."

The Board will have before it:

- UNIDO activities in the field of restructuring, including privatization. Report by the Director-General (IDB.11/24)

Item 11. Organizational and staff structure of UNIDO

A summary of the background to this item is provided in the annotated provisional agenda of the tenth session of the Board (IDB.10/1/Rev.1/ Add.1, item 11). At that session, the Board had before it a report by the Director-General on the subject (IDB.10/24) and, after a debate on procedures, decided to adjourn the consideration of a decision on the subject to its eleventh session (IDB.10/SR.8, paras. 80-116).

The Board will have before it:

- Organizational and staff structure of UNIDO. Note by the Secretariat (IDB.11/25)

Item 12. Personnel matters

(a) UNIDO Staff Pension Committee for 1994-1995

By decision GC.1/Dec.37 the Conference accepted the Regulations of the United Nations Joint Staff Pension Fund, and established the UNIDO Staff Pension Committee. In its decision GC.4/Dec.23 the Conference elected the two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 1992-1993. One of the member posts became vacant in January 1993 and the Board may wish to proceed with the election for that post in accordance with Conference decision GC.4/Dec.23, paragraph (b). The Board may also wish to recommend to the Conference at its fifth session candidates for election to the UNIDO Staff Pension Committee for the years 1994 and 1995.

The Board will have before it the following document:

- Representation of the UNIDO governing body on the UNIDO Staff Pension Committee. Report by the Director-General (IDB.11/9)

(b) Women in the Secretariat

In its decision GC.4/Dec.24, the General Conference recalled previous Conference and Board

decisions calling for efforts to increase the number of women in the Secretariat, particularly at the senior and decision-making levels and to achieve, to the extent possible, and within existing resources, targets for their overall representation in geographical posts by 1993 and 1995 of 25 and 30 per cent respectively, and urged the Director-General to continue the efforts towards recruiting women in posts subject to geographical distribution and in particular to accord priority to the increased representation of women at the P-5 and above levels within the overall targets set for 1993 and 1995. The Director-General was also requested to submit a progress report on the subject to the General Conference at its fifth session through the Board at its eleventh session.

The Board will have before it:

- Annual Report of UNIDO, 1992 (IDB.11/10, chap. VII.A)

- Progress report on women in the Secretariat (IDB.11/11-GC.5/10, chap. XVII)

Item 13. Administrative matters: Joint Inspection Unit

By decision IDB.1/Dec.22 the Board decided to accept on behalf of UNIDO the Statute of the Joint Inspection Unit (JIU) as of 1 January 1986. In accordance with the terms of the Statute, the Board will be informed of recent JIU activities of relevance to UNIDO.

To enable the Board to consider the reports of the JIU of relevance to UNIDO, the Director-General is proposing the inclusion of this supplementary item on the provisional agenda of the current session.

The Board will have before it:

- Activities of the Joint Inspection Unit in 1992 and early 1993 of relevance to UNIDO. Note by the Secretariat (IDB.11/12)

Item 14. New concepts and approaches for co-operation in industrial development in conformity with Article 2 (c) of the Constitution

In its resolution GC.4/Res.19 the General Conference took note with appreciation of the new concepts and approaches for cooperation in respect to industrial development contained in paragraphs 38 to 43 of the progress report of the Director-General on the subject (GC.4/17), namely application of new materials, strategic management of industrial policies, elaboration of technological and institutional policies at the micro-economic level and the new types of industrial cooperation for the mobilization of financial resources for developing countries. It also emphasized the aspects requiring particular attention in formulating those new concepts and approaches for industrial cooperation. In the same resolution the Conference directed the Board to review the application of the approved new concepts and approaches, through a report of the Director-General and, in the light of its assessments, to consider any further new ones which may be necessary for submission to the General Conference at its fifth session.

The Board will have before it:

- New concepts and approaches for cooperation in respect to industrial development in conformity with Article 2 (c) of the Constitution. Report by the Director-General (IDB.11/13)

Item 15. Participation of UNIDO in international cooperation to study and mitigate the consequences of the Chernobyl accident

The General Conference, in its resolution GC.4/Res.1, recalling United Nations General Assembly resolution 45/190 on international co-operation to address and mitigate the consequences of the accident at the Chernobyl nuclear power plant, requested the Director-General to continue to take appropriate measures on the implementation of that resolution within the mandate of UNIDO, and in cooperation with the United Nations Coordinator of International Cooperation for Chernobyl. It also requested the Director-General to submit to the General Conference at its fifth session a report on the implementation of resolution GC.4/Res.1.

The Board will have before it:

- Participation of UNIDO in international cooperation to study and mitigate the consequences of the Chernobyl accident. Report by the Director-General (IDB.11/8-GC.5/9)

Item 16. Preparatory arrangements for the fifth session of the General Conference

At its fourth session, in decision GC.4/Dec.25, the General Conference decided that its fifth session should be held from 6 to 10 December 1993. Furthermore, in resolution GC.4/Res.38, the Conference took note with appreciation of the kind offer of the Republic of Cameroon to UNIDO to host the fifth session at Yaoundé in 1993, and requested the Director-General to undertake the necessary consultations with the Government of the Republic of Cameroon for detailed arrangements for holding the fifth session of the Conference at Yaoundé and to submit a report on the result of these consultations to the Board for decision. The Board at its ninth session decided to accept the offer of the Government of Cameroon and requested the Director-General to negotiate and to sign the necessary agreement with the Government of Cameroon (IDB.9/Dec.16). At its tenth session, the Board took note of the information provided in document IDB.10/31 on the signing of the agreement between UNIDO and the Government of Cameroon concerning the venue of the fifth session of the General Conference (IDB.10/SR.8, paras. 78-79).

In accordance with Article 9.4 of the Constitution, the Board shall prepare the provisional agenda for the Conference. The Board considered the subject at its tenth session and in its decision IDB.10/Dec.19 adopted a tentative provisional agenda for the fifth session of the General Conference with the understanding that it would be reviewed by the Board at its eleventh session.

The Board will have before it:

- Board decision IDB.10/Dec.19 on the provisional agenda of the fifth session of the General Conference

- Preparatory arrangements for the fifth session of the General Conference. Report by the Director-General (IDB.11/26)

Item 17. Matters related to intergovernmental, non-governmental, governmental and other organizations

Article 19.1 of the Constitution stipulates that the Director-General may, with the approval of the Board and subject to guidelines established by the Conference: (a) enter into agreements establishing appropriate relationships with organizations of the United Nations system other than the United Nations and with other intergovernmental and governmental organizations; (b) establish appropriate relations with non-governmental and other organizations the work of which is related to that of the Organization; and that when establishing such relations with national organizations the Director-General shall consult with the Governments concerned.

Guidelines regarding relations with the organizations mentioned above were established by the Conference in decision GC.1/Dec.41. In accordance with these guidelines, the Director-General shall (a) present the draft texts of agreements with organizations of the United Nations system other that the United Nations to the Board for its approval; (b) circulate among the members of the Board information on intergovernmental and governmental organizations that have expressed the wish to enter into agreements with UNIDO and seek the approval of the Board before concluding an appropriate relationship agreement with the organizations concerned; and (c) circulate among the members of the Board information on international and national non-governmental organizations and other organizations seeking consultative status, following which the Board shall decide whether to accord consultative status to the organizations concerned in accordance with the guidelines established by the Conference.

To enable the Board to consider the latest developments related to intergovernmental, non-governmental, governmental and other organizations the Director-General is proposing the inclusion of this supplementary item in the provisional agenda of the current session.

The Board will have before it the following documents:

- Information on intergovernmental organizations not in the United Nations system. Note by the Director-General (IDB.11/18)

- Applications from non-governmental organizations for consultative status. Note by the Director-General (IDB.11/16)

Item 18. Date of the twelfth session

The following dates have been reserved for the policy-making organs of UNIDO in 1994:

9-13 May 1994	IDB - twelfth session (tentative)
20-24 June 1994	PBC - tenth session (final)
7-11 November 1994	IDB - thirteenth session (tentative)

In accordance with rule 10.2 of the rules of procedure, the Director-General shall submit to the Board at each regular session the provisional agenda for the following regular session. However, in accordance with the recommendations adopted by the Board at its fifth session for the conduct of business and rationalization of proceedings, the provisional agendas for the regular sessions should be drawn up in biennial groups by a special brief session of the Board following the General Conference (IDB.5/Dec.46, annex, paras. 2 and 4).

The Board may wish to consider the following provisional agenda for its sixth special session:

1. Opening of the sixth special session
2. Adoption of the agenda
3. Adoption of the provisional agenda of the twelfth session and consideration of the provisional agendas of the thirteenth and fourteenth sessions
4. Other business
5. Adoption of the report of the sixth special session
6. Closure of the sixth special session

Item 19. Adoption of the report of the eleventh session

Item 20. Closure of the eleventh session